

## EXHIBIT C

### Competitive Process

Designated Plan. Arch would serve as the “stalking horse” bidder pursuant to the Plan of Reorganization substantially in the form attached as Exhibit 3 to the Final Order (the “Arch POR”).

Bid Protections. In the event the Debtors, in consultation with the Committee, select a different Plan after the process below, Arch would be entitled to a break-up fee in an amount equal to one million dollars (\$1,000,000.00) plus expense reimbursement equal to the reasonable actual costs and reasonable actual out-of-pocket fees and expenses of counsel, accountants, financial and other advisors incurred by Arch in connection with their legal, financial and business due diligence and the preparation and negotiation of the Plan and related agreement, not to exceed five hundred thousand dollars (\$500,000.00). The break-up fee and expense reimbursement would be payable on the Effective Date of a plan of reorganization other than the Arch POR and, in the case of the expense reimbursement, such later date as the Court approves the amount of the expense reimbursement upon motion and notice. In addition, the bidding shall be subject to a minimum overbid amount \$150,000 and successive incremental bids of \$150,000.

### Process

Competitive Plan Procedures acceptable to Arch, the Debtors and the Committee, the final drafts of the Arch POR (on terms to be no worse than those in Plan attached to the Final Order) and the related Disclosure Statement filed by May 12, 2008.

Hearing on the Competitive Plan Procedures shall be held on May 19, 2008 at 2:00 p.m. and the Disclosure Statement for the Arch POR shall be held on May 23, 2008 at 10:00 a.m..

Process to be run by the Debtors, through a sales consultant employed under Section 327 of the Bankruptcy Code that is acceptable to the Committee (the “Sales Consultant”), in full transparent consultation with the Committee. The Sales Consultant will be in charge of marketing, managing due diligence and overseeing the competitive plan process.

Bidders will be subject to qualifications as to financial wherewithal (including agreed-upon deposit) and other customary qualification requirements as provided in the Competitive Plan Procedures.

The schedule will be as follows, subject to input from the Sales Consultant:

- No later than May 12, 2008, Debtors (or such other party as the Court may authorize), in consultation with the Committee, shall file a Competitive Plan Motion and the Disclosure Statement Motion with the Bankruptcy Court in form and substance acceptable to Arch.
- The Competitive Plan Order shall be entered on or prior to May 20, 2008 and the Disclosure Statement Order shall be entered no later than May 24, 2008.

- Formal sale process and solicitation for Disclosure Statement to be commenced immediately after entry of the above orders, provided that Committee and Debtors/Sales Consultant may contact potentially interested parties and the Debtors/Sales Consultant may provide the same due diligence materials previously provided to Arch to those parties, subject to execution of a confidentiality agreement the same, in substance, as that signed by Arch; provided, however, until the entry of an order approving the Competitive Process acceptable to Arch, the Debtors and the Sales Consultant shall be prohibited from soliciting, negotiating and/or discussing with any entity other than Arch, the sale of substantially all of the Debtors' assets or equity or a plan of reorganization other than the Plan filed as Exhibit 3 to the Final Order.
- Parties wishing to submit plans for consideration shall do so by June 25, 2008 (including marked copy of proposed plan of reorganization against Arch POR).
- Ballots on Plan due June 27, 2008.
- The Debtors, through the Sales Consultant, and in consultation with the Committee, shall hold an "auction" for competitive plans on June 27, 2008; bids must not be subject to financing contingencies prior to the auction for bidders to participate.
- Confirmation hearing shall be held week of July 7, 2008
- The Effective Date shall occur ten days after entry of the Confirmation Order, but not later than July 31, 2008.